

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

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Via USPS Priority Mail

RECORDATION NO. 25033-1 FILED

October 14, 2004

OCT 19 '04

1-54 PM

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

SURFACE TRANSPORTATION BOARD

OCT 19 2004
RECEIVED

RE: **PARTIAL TERMINATION OF SECURITY INTEREST ("Partial Termination")** dated as of September 20, 2004, and is made by **BANK OF AMERICA, N.A. ("B of A")**, as the Collateral Agent (the "**Collateral Agent**") for the Secured Parties, for the benefit of **HELM HOLDING CORPORATION**, a California corporation, **HELM FINANCIAL CORPORATION**, a California corporation, and **HELM LOCOMOTIVE LEASING CORPORATION**, a California corporation (collectively, "**Helm**").

Dear Mr. Williams:

On behalf of Helm Financial Corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Four (4) fully executed original copies of the above referenced Partial Termination.

In connection with the recording of this Partial Termination, please note the following information:

Name and Address of Helm: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

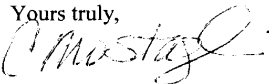
Name and Address of B of A: Bank of America
100 Federal Street
Mail Stop: MA5-100-09-07
Boston, MA 02110

Equipment: Five (5), locomotives marked HATX 401, 412, 417, 418, HLCX 3668.

Please record this Partial Termination as a supplemental agreement to STB Recordation No. 25033 filed on July 2, 2004 at 9:33 a.m. Helm's check covering the \$30.00 filing fee is enclosed.

Summary: **Partial Termination** dated September 20, 2004 made by **BANK OF AMERICA, N.A.**, as the Collateral Agent for the Secured Parties, for the benefit of **HELM HOLDING CORPORATION**, a California corporation, **HELM FINANCIAL CORPORATION**, a California corporation, and **HELM LOCOMOTIVE LEASING CORPORATION**, a California corporation, for the five (5) locomotives marked HATX 401, 412, 417, 418, HLCX 3668 to be filed as a supplemental agreement to STB Recordation No. 25033.

Yours truly,



Cecilia Mostaghim
Contract Administrator

/cm
Enclosures (4)

PARTIAL TERMINATION OF OCT 19 '04
SECURITY INTEREST

1-54 PM

THIS PARTIAL TERMINATION OF SECURITY INTEREST (~~"Partial Termination"~~ ^{SURFACE TRANSPORTATION BOARD}) is dated as of September 20, 2004, and is made by **BANK OF AMERICA, N.A. ("Bank of America")**, as the Collateral Agent (the "**Collateral Agent**") for the Secured Parties (as defined in the GCIA described below), for the benefit of **HELM HOLDING CORPORATION**, a California corporation, **HELM FINANCIAL CORPORATION**, a California corporation, and **HELM LOCOMOTIVE LEASING CORPORATION**, a California corporation (collectively, "**Helm**").

1. **Recitals.** Helm owns the rail equipment bearing the Association of American Railroads reporting mark and numbers as described in Exhibit A attached hereto (the "**Units**"). Helm has granted to the Collateral Agent a security interest in substantially all of its assets now owned or hereafter acquired, upon the terms and conditions provided in that certain Memorandum of Guarantee and Collateral and Intercreditor Agreement dated as of July 2, 2004, between Helm and the Collateral Agent (the "**Memorandum**"), as filed with the Surface Transportation Board of the Department of Transportation ("**STB**") on July 2, 2004 at 9:33 a.m. under Recordation No. 25033. The Memorandum was executed in connection with that certain Guarantee and Collateral and Intercreditor Agreement (the "**GCIA**") dated as of July 2, 2004, among Helm, the Collateral Agent, Bank of America, as TLB/RC Agent (as defined therein) and Bank of America, as TLC Agent (as defined therein).

Helm intends to sell the Units to a third party (the "**Sale**") and desires that such sale shall be free and clear of any lien or security interest of the Collateral Agent. Accordingly, Helm requests the Collateral Agent to terminate its lien and security interest in the Units.

2. **Representation.** Helm hereby represents and warrants to the Collateral Agent and the other Secured Parties that the Sale and the application of the proceeds thereof comply with the terms of the GCIA and each of the Credit Agreements (as defined in GCIA).

3. **Partial Release and Termination.** The Collateral Agent hereby forever releases any and all liens and security interests in the Units granted to it under the Memorandum and the GCIA, and all such liens and security interests in the Units shall be forever terminated, and shall be null and void, upon the filing of this Partial Termination with the STB. The release of liens and security interests hereunder is made without recourse to, or representation or warranty by, the Collateral Agent.

This Partial Termination shall have no effect on the Collateral Agent's lien and security interest in any Collateral other than the Units, and said lien and security interest in such other Collateral are hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, the Collateral Agent has executed this Partial Termination of Security Interest as of the date first above written.

BANK OF AMERICA, N.A., as Collateral Agent

By: William Latham

Print Name: **WILLIAM LATHAM**
Director

Its: _____

CML

On September 24, 2004, before me, ELLEN F. HICKEY, personally
appeared WILLIAM LATHAM, DIRECTOR of BANK OF AMERICA,
N.A.

_____ proved to me on the basis of satisfactory evidence

Witness my hand and official seal.

[Notarial Seal]



ELLEN F HICKEY
Notary Public
Commonwealth of Massachusetts
My Commission Expires
Sept 12, 2008

am

EXHIBIT A

To the **PARTIAL TERMINATION OF SECURITY INTEREST** dated as of **September 20, 2004**

THE UNITS

<u>Reporting Marks:</u>	<u>Type:</u>
HATX 401	GP40
HATX 412	GP40
HATX 417	GP40
HATX 418	GP40
HLCX 3668	GP38

CM